

BEFORE THE
POSTAL RATE COMMISSION
WASHINGTON, D.C. 20268-0001

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POSTAL RATE COMMISSION
OFFICE OF THE SECRETARY

POSTAL RATE AND FEE CHANGES, 2000

Docket No. R2000-1

RESPONSES OF THE UNITED STATES POSTAL SERVICE
TO INTERROGATORIES OF THE OFFICE OF THE CONSUMER ADVOCATE
(OCA/USPS-129 THROUGH 131)

The United States Postal Service hereby provides its responses to the following
interrogatory of the Office of the Consumer Advocate: OCA/USPS-129 through 131,
filed on April 14, 2000.

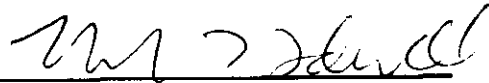
Each interrogatory is stated verbatim and is followed by the response.

Respectfully submitted,

UNITED STATES POSTAL SERVICE

By its attorneys:

Daniel J. Foucheaux, Jr.
Chief Counsel, Ratemaking



Michael T. Tidwell

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May 17, 2000

RESPONSES OF THE UNITED STATES POSTAL SERVICE
TO INTERROGATORIES OF THE OFFICE OF THE CONSUMER ADVOCATE

OCA/USPS-129.

Please refer to OCA/USPS-75 and the response thereto filed on April 11, 2000.

- (a) No response was provided to the question regarding the number of additional window stamp sale transactions. Please respond to the question by providing or estimating the number of additional window stamp sale transactions resulting from the postage rate increase in January 1999. Provide a comparison of the number or estimated number of such transactions in a reporting period that includes January 1999 with a comparable period including January 1998 (e.g., FY99 AP4 and FY99 AP5 as compared with FY98 AP4 and FY98 AP5, as was provided for Stamps-by-Mail transactions).
- (b) With respect to Stamps-by-Mail transactions, please confirm that the "approximately 40 percent of transactions" refers to 40 percent of Stamps-by-Mail transactions. If you do not confirm, please explain what "transactions" are referred to.

RESPONSE:

- (a) The Postal Service has no window service data for the periods in question which identify transactions on the basis of whether customers were purchasing stamps. Therefore, the Postal Service is unable to provide an estimate of the number of window service stamp sale transactions during January 1998 and 1999 (or their corresponding Accounting Periods).
- (b) Confirmed.

RESPONSES OF THE UNITED STATES POSTAL SERVICE
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OCA/USPS-130.

Please refer to OCA/USPS-76 and the response thereto filed on April 11, 2000.

- (a) Please confirm that the average cost of fulfilling a Stamps-by-Mail order is \$3.74. If you do not confirm, please explain.
- (b) Please confirm that the average cost of fulfilling a StampsOnline order is \$4.52. If you do not confirm, please explain.
- (c) Please provide a breakdown of the components of the annual costs of Stamps-by-Mail (\$35,642,894) and StampsOnline (\$1,623,159) transactions or, alternatively, the average costs (\$3.74 and \$4.52). Include any variability factors, piggyback factors, or other adjustments.
- (d) Please provide the average cost/revenue figure for a retail facility window sale of stamps, comparable to the average cost/revenue figures given for Stamps-by-Mail and StampsOnline.
- (e) Please confirm that the "incurred cost of transaction" provided in attachments 1-3 to OCA/USPS-76 (\$0.4596, \$0.7945, and \$0.4194, respectively) differ slightly from a calculation of the inputs to these figures due to rounding of the inputs. If you do not confirm, please explain.

RESPONSE:

(a&b) Those estimates are based upon analyses reflected in USPS Library Reference

I-379.

- (c) See USPS LR-I-379.
- (d) The Postal Service does not collect stamp purchase revenue data which would provide a basis for estimating the average revenue generated per window stamp sales transaction.
- (e) Confirmed.

RESPONSES OF THE UNITED STATES POSTAL SERVICE
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OCA/USPS-131.

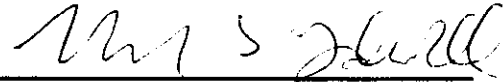
Please refer to OCA/USPS-76(b) and OCA/USPS-80(a) and the responses thereto filed on April 11, 2000. Please explain and reconcile the annual Stamps-by-Mail transaction volumes of 9,530,361 and 8.4 million.

RESPONSE:

The former number should have appeared in both responses.

CERTIFICATE OF SERVICE

I hereby certify that I have this day served the foregoing document upon all participants of record in this proceeding in accordance with section 12 of the Rules of Practice.

A handwritten signature in black ink, appearing to read "Michael T. Tidwell", written over a horizontal line.

Michael T. Tidwell

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